

P2 Gold Announces Revised Acquisition Terms for Gabbs Project, Nevada, and Financing Update

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VANCOUVER, May 05, 2021 - [P2 Gold Inc.](#) ("P2" or the "Company") (TSX-V:PGLD) reports that it has entered into an amending agreement (the "Amending Agreement") with Borealis Mining Company, LLC ("Waterton"), an indirect, wholly-owned subsidiary of Waterton Precious Metals Fund II Cayman, LP amending the terms of the agreement (the "Acquisition Agreement") for the acquisition of all of the assets that comprise the Gabbs Project (see the Company's news release dated February 23, 2021 announcing the acquisition of the Gabbs Project) located on the Walker-Lane Trend in the Fairplay Mining District of Nye County, Nevada (the "Transaction"). The closing of the Transaction remains subject to the satisfaction of customary closing conditions for a transaction of such nature, including acceptance by the TSX Venture Exchange (the "Exchange") and the completion of the Private Placement (defined below). The Transaction will be an arm's length transaction under Exchange policies.

Amended Transaction Terms

Under the terms of the Amending Agreement, P2 Gold will now (a) pay US\$1 million and issue 15 million shares in its capital to Waterton at closing and (b) pay an additional US\$4 million to Waterton on the 12-month anniversary of closing rather than pay US\$5 million and issue 15 million shares in its capital to Waterton at closing as required under the terms of the Acquisition Agreement. The Company has also agreed, under the Amending Agreement, to enter into at closing an investor rights agreement with Waterton providing Waterton with registration rights in certain circumstances. The other terms of the Acquisition Agreement remain unchanged.

Accordingly, in order to acquire the Gabbs Project, the Company will (a) pay US\$1 million and issue 15 million shares in its capital to Waterton at closing, (b) pay an additional US\$4 million to Waterton on the 12-month anniversary of closing and (c) pay an additional US\$5 million to Waterton on the earlier of the announcement of the results of a Preliminary Economic Assessment and the 24-month anniversary of closing. Waterton has reserved for itself a 2% net smelter returns royalty on production from the Gabbs Project, of which one percent may be repurchased at any time by P2 Gold for US\$1.5 million and the remaining one percent of which may be repurchased for US\$5 million. Following completion of the Transaction and the Private Placement, Waterton will be an Insider of the Company and expected to own approximately 27% of the issued and outstanding shares of the Company.

For further details on the Gabbs Project acquisition please see www.p2gold.com.

Financing Update

As announced by the Company on April 6, 2021, the Company intends to complete a non-brokered private placement of units (the "Private Placement") to complete the Transaction.

The Private Placement will now consist of up to 12,000,000 units (the "Units") at a price of \$0.50 per Unit for gross proceeds of up to \$6 million. Each Unit will consist of one common share in the capital of the Company and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share in the capital of the Company at an exercise price of \$0.85 per common share for a period of two years from the date of issue (the "Expiry Time"), provided that, if after four months from the date of issue, the closing price of the common shares of the Company on the Exchange is equal to or greater than \$1.50 for a period of 10 consecutive trading days at any time prior to the Expiry Time, the Company will have the right to accelerate the Expiry Time of the Warrants by giving notice to the holders of the Warrants by news release or other form of notice permitted by the certificate representing the Warrants

that the Warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than 15 days from the date notice is given.

The Private Placement will close on completion of documentation and is conditional upon receipt of all necessary regulatory approvals, including the approval of the Exchange. The proceeds of the Private Placement will be used to fund the acquisition of the Gabbs Project, complete a phase 1 exploration program of approximately \$2,500,000 on the Gabbs Project and for general corporate purposes.

The Private Placement will be offered to accredited investors in all Provinces of Canada pursuant to applicable securities laws. In connection with the Private Placement, the Company may pay finders' fees as permitted by the policies of the Exchange. All securities issued pursuant to the Private Placement will be subject to a four-month hold period.

The securities to be offered in the Private Placement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Company anticipates that insiders will subscribe for Units. The issuance of Units to insiders is considered a related party transaction subject to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*. The Company intends to rely on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of Multilateral Instrument 61-101 on the basis that the participation in the private placement by the insiders will not exceed 25% of the fair market value of the company's market capitalization. A material change report in connection with the Private Placement will be filed less than 21 days before the closing of the Private Placement. This shorter period is reasonable and necessary in the circumstances as the Company wishes to complete the Private Placement in a timely manner.

About P2 Gold Inc.

P2 is a mineral exploration and development company focused on advancing precious metals discoveries and acquisitions in the western United States and British Columbia.

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Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Information

This press release contains "forward-looking information" within the meaning of applicable securities laws that is intended to be covered by the safe harbours created by those laws. "Forward-looking information" includes statements that use forward-looking terminology such as "may", "will", "expect", "anticipate", "believe", "continue", "potential" or the negative thereof or other variations thereof or comparable terminology. Such forward-looking information includes, without limitation, information with respect to the

Company's expectations, strategies and plans for the Gabbs Project including the Company's planned expenditures and exploration activities and the proposed Private Placement.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made. Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking information. See "Risk Factors" in the Company's annual information form dated October 21, 2020 filed on SEDAR at www.sedar.com for a discussion of these risks.

The Company cautions that there can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information.

Except as required by law, the Company does not assume any obligation to release publicly any revisions to forward-looking information contained in this press release to reflect events or circumstances after the date hereof.

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